

## Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 OMB-01 DPW-01 IO-12 RSR-01 EB-11 /132 W

----- 110155

R 040700 Z MAY 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 0869

INFO AMEMBASSY LONDON

AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

USMISSION OECD PARIS

C O N F I D E N T I A L CANBERRA 2521

E . O. 11652: GDS

TAGS: ETRD AS

SUBJ: EAST- WEST TRADE: GOA TO END STRATEGIC  
CONTROLS ON COMMERCIAL TRADE

REF: CANBERRA 2351

1. DEPARTMENT FOREIGN AFFAIRS ASSISTANT SECRETARY  
FLOOD CALLED IN ECON COUNSELOR MAY 4 TO BRIEF HI M,  
ON CONFIDENTIAL BASIS, ON CHANGES IN GOA' S STRATEGIC  
EXPORT CONTROLS APPROVED MAY 3 BY CABINET' S FOREIGN  
AFFAIRS COMMITTEE, INCLUDING PRIME MINISTER WHITLAM.  
FLOOD SAID AUSTRALIAN EMBASSY WASHINGTON WILL INFORM  
DEPARTMENT SHORTLY. CANADIANS, JAPANESE, BRITISH  
AND NEW ZEALANDERS ALSO BEING INFORMED IN ADVANCE  
OF PUBLIC ANNOUNCEMENT.

2. BASICALLY, GOA HAS DECIDED QUOTE NOT TO MAINTAIN  
ON COMMERCIAL TRADE WITH USSR, EASTERN  
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EUROPE, CHINA, NORTH KOREA, NORTH VIETNAM AND CUBA RESTRAINTS DIFFERENT TO RESTRAINTS ON COMMERCIAL TRADE MAINTAINED ON ANY OTHER COUNTRY. UNQUOTE EXISTING AUSTRALIAN CONTROLS OVER TRADE IN " ARMS AND WARLIKE STORES" AND IN ATOMIC ENERGY ITEMS WILL NOT BE AFFECTED BUT WILL CONTINUE AS THEY ARE. FLOOD EMPHASIZED THAT CHANGES WILL NOT UNDERMINE COCOM CONTROLS AS GOA WILL CONTINUE TO PREVENT RE- EXPORT OF ITEMS CONTROLLED BY OTHER NATIONS, ALTHOUGH HE WAS SOMEWHAT VAGUE ON HOW THIS TO BE EFFECTED. EXISTING EMBARGO ON ALL TRADE WITH NORTH VIETNAM, WHICH FLOOD CHARACTERIZED AS UNIQUE, WILL BE ENDED.

3. FLOOD STRESSED THAT GOA'S DESIRE TO AVOID " MISUNDERSTANDING" BY US AND OTHERS OF THESE STEPS HAD LED TO MINISTERS' WISH THAT FIVE COUNTRIES BE NOTIFIED IN ADVANCE OF PUBLIC ANNOUNCEMENT. HE SAID CHANGES WERE RECOMMENDED UNANIMOUSLY BY DEPARTMENTS CONCERNED, INCLUDING FOREIGN AFFAIRS, OVERSEAS TRADE AND CUSTOMS AND EXCISE, AND THAT DFA WOULD HAVE MADE SAME RECOMMENDATION TO PRECEDING LIBERAL- COUNTRY GOVERNMENT. FLOOD SAID KEY RATIONALE FOR CHANGES WAS THAT PREVIOUS CONTROLS HAD " LITTLE PRACTICAL RELEVANCE TO AUSTRALIAN PRODUCTION" SINCE ALMOST ALL ITEMS CONTROLLED BY COCOM WERE " TOO SOPHISTICATED FOR LOCAL MANUFACTURE." FLOOD OPINED THAT HE DOUBTS GOA WILL SEEK MUCH PUBLICITY WHEN IT MAKES PUBLIC ANNOUNCEMENT.

4. IN PRACTICAL TERMS, CHANGES MEAN THAT CUSTOMS AND EXCISE NOTICE 71/68 WILL BE ALLOWED TO LAPSE. ADDITIONAL CUSTOMS REGULATIONS PROHIBITING TRADE WITH NORTH VIETNAM, WHICH DATE BACK TO 1966, WILL BE RESCINDED BY MINISTERIAL ACTION. SENATE ACTION TO REMOVE THIS EMBARGO FROM STATUTES WILL ALSO BE SOUGHT ALTHOUGH NOT TECHNICALLY NECESSARY. ( EMBASSY WILL POUCH COPIES RELEVANT DOCUMENTS.) GOA'S STATUTORY AUTHORITY TO CONTROL EXPORTS OF VARIOUS COMMERCIAL ITEMS WILL REMAIN. CONFIDENTIAL

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IMPLEMENTATION DATES FOR THESE CHANGES NOT SPECIFIED BUT PRESUMABLY THEY WILL TAKE EFFECT VERY SOON. ONLY COUNTRY AGAINST WHICH GOA WILL APPLY BLANKET TRADE EMBARGO HENCEFORTH WILL BE RHODESIA, BUT FLOOD HASTENED TO POINT OUT THIS SITUATION PRE- DATES PRESENT GOA AND SUPPORTS UN SANCTIONS.

5. EMBASSY COMMENT: DLOOD' S STRESS ON AVOIDING  
" MISUNDERSTANDING" AND GOA PAINS TO NOTIFY US AND  
OTHERS IN ADVANCE OBV  
OUSLY REFLECT GOA ANXIETY  
THAT THESE STEPS MIGHT BE MISCONSTRUED. AUSTRALIANS  
NO DOUBT WANT TO AVOID LINKING THESE CHANGES WITH  
POLITICAL DEVELOPMENTS, NOTABLY RECENT GOA  
RECOGNITION OF DRV AND CURRENT UNOFFICIAL VISIT  
OF NORTH VIETNAM AND VIET CONG " PEACE GROUP"  
REPRESENTATIVES ( CANBERRA 2351). " ADMINISTRATIVE  
INCONVENIENCE" RATIONALE SLIGHTLY OVERWORKED  
BY FLOOD, ALTHOUGH IT IS LARGELY PLAUSIBLE AND  
VALID. HOWEVER, EMBASSY DOUBTS GOA OBLIVIOUS TO THE  
POLITICAL SYMBOLISM OF THESE STEPS. WE WILL  
WATCH TO SEE WHAT PUBLICITY, IF ANY, GOA ANNOUNCE-  
MENT THESE CHANGES WILL GENERATE.  
RICE

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

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**TAGS:** ETRD, AS  
**To:** EA  
LONDON  
MELBOURNE  
OECD PARIS  
OTTAWA  
SECSTATE WASHDC  
SYDNEY

TOKYO  
WELLINGTON

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